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DD/S&T 2568/67

23 JUN 1967

MEMORANDUM FOR: Director of Logistics

SUBJECT : Revised Recommendations on Implementing Consultant Report on Agency Procurement System

REFERENCE : DDS Memorandum 28 March 1967 to Executive Director-Comptroller

I have again reviewed the referenced memorandum which recommends that certain steps be taken to increase the efficiency of the Agency Procurement System. In keeping with the concept of that memorandum I wish to set forth the position of the Directorate of Science and Technology regarding this program. In doing so it is necessary that certain assumptions be made part of the position of this Directorate. These are:

a. This Directorate will undertake that contracting which is necessary to support the DD/S&T. This would normally not include contracts or procurements conducted by General Procurement, Covert Procurement, Industrial Contracts or Inter-departmental Support.

b. This Directorate does not plan to use the West Coast Procurement Office on negotiations which require centralized management control at headquarters.

c. DD/S&T contracts on which work has been completed at the time of the initiation of the program will be settled by Procurement Division, Office of Logistics.

d. The DD/S&T will be provided with qualified procurement, audit and security personnel necessary to undertake DD/S&T contracting.

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e. Position ceiling authorizations for procurement, audit, security and clerical personnel to support the DD/S&T procurement organization will be provided from outside the DD/S&T.

f. Appropriate space necessary to accommodate a procurement, audit and security organization for ORD and OEL will be provided by the DDS.

g. A total appraisal of DD/S&T contracting will be made by the DD/S&T one year from the initiation of the program. Recommendations will be made to the Executive Director-Comptroller at that time bearing upon personnel requirements, method of operation and overall effectiveness of the new procurement organization.

To effectively undertake the contracting responsibility on a team basis, as outlined in this position paper, this Directorate will require a contracting unit in ORD and one in OEL. Two units are needed because of the physical location of ORD (in the Ames Building) and the heavy contract workload emanating from that office. The OEL unit will support OSI, FMSAC and OCS contracting.

The contracting unit in ORD will require staffing by qualified personnel as follows: 25X1

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Neither ORD nor OEL have space to accommodate the procurement units required to support these offices. The DD/S&T will accordingly require that space be provided by the DDS for both offices before the DD/S&T can undertake any responsibility for contracting. For the ORD unit 1600 square feet of office space will be required. An additional 1500 square feet of office space will be required for the unit supporting OEL, OSI, FMSAC and OCS. Since procurement and security personnel are constantly working with contractor representatives who will be visiting their respective buildings, it is essential that each negotiator and security officer be provided with a partitioned office. Conference rooms for negotiations will also be required as well as space to accommodate safes for contract, security and audit files.

The primary purpose of the team approach is to bring technical, procurement, audit and security personnel together in a closely knit working unit. This requires procurement, audit and security personnel to be fully integrated into the operating component, immediately adjacent to the technical officer, and available at all times to consult with, advise

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and travel with him. It is fully expected that the procurement and security officer will attend all office planning meetings and be fully informed of every potential procurement action from the moment it is first conceived as a technical requirement. Through this process it is expected to improve contracting for DD/S&T by introducing procurement, audit and security personnel into the early stages of the contracting cycle.

This Directorate will utilize the one man one contract approach. That is to say each procurement officer to whom a contract is assigned will not only negotiate the contract but administer it during its lifetime and settle it upon completion of the work. Upon assumption of the procurement responsibility inherent in the plan the DD/S&T will become involved in the total procurement, security and audit process from solicitation of proposals through final settlement of the contract. The Directorate will maintain its own contract and security files, review and process contractor's invoices, issue and control Government property in the possession of contractors, process patent applications and administer all other contract matters. The additional responsibilities and duties resulting from the team concept together with the consolidation of negotiation, administration and settlement will require an increased number of procurement, security and audit personnel in excess of the number heretofore assigned to this effort.

This Directorate has had extensive experience in the "Team Concept" in procurement by reason of the employment of this approach in both OSA and OSP. The approach has merit and if it is supported by a sufficient number of qualified personnel working in close harmony with the operating component it can do much to improve the procurement process.

In conclusion it must be noted that this Directorate has made no provision in its budget, personnel ceiling authorizations or in the allocation of space for the new procurement organization. It cannot, therefore, accept responsibility for initiating any part of the contracting process recommended in the reference until:

a. Position ceiling authorizations necessary to accommodate an increased T O are provided by higher authority.

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b. Qualified personnel are furnished or recruited and trained to perform the required duties.

c. Space, necessary to support the new procurement organization is provided by the DDS.

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for
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